Before the

National Telecommunications and Information Administration

And the

Rural Utilities Service

COMMENTS OF THE

SCHOOLS, HEALTH AND LIBRARIES BROADBAND COALITION

Pursuant to the

JOINT REQUEST FOR INFORMATION

Published on November 16, 2009

RUS: RIN: 0572-ZA01

NTIA: RIN: 0660-ZA28; Docket No. 0907141137-91375-05

November 30, 2009

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1. Priority should be given to projects that will build high-capacity "future-proof" infrastructure serving anchor institutions. The BTOP and BIP funds should be considered an opportunity to invest in America's future. Rather than building low-bandwidth facilities that will be overcome by demand in the next 3 to 5 years, it is more efficient to allocate these limited federal dollars in "fat" broadband "pipes" that will last for a minimum of two decades or longer, that will serve the needs of large numbers of vulnerable population segments, and that can be shared by multiple users and broadband providers.

2. Eliminate the Last Mile and Middle Mile categories. Anchor institution networks often need Last Mile AND Middle Mile connectivity, including what the FCC calls "Second Mile", and backbone connectivity. The Last Mile and Middle Mile categories are too confusing and limiting.

3. Create distinct questions on the application forms for networks that are designed for and dedicated to community anchor institutions. The application questions in the first NOFA were designed for applicants providing broadband service to all the residences and businesses in a particular geographical area, but anchor institution networks are usually designed to provide high-capacity links to specific locations in multiple geographic regions.

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5. Much greater funding should be allocated to the public computing center program than the minimum of $200 M identified in the statute.

6. The application process can be streamlined significantly by eliminating the rigid ties to census blocks, by delaying the submission of detailed financial information until stage two of the review process, and by making a number of other process-related changes. Streamlining the application process will encourage more high-quality applicants to apply for funding, thereby helping NTIA and RUS achieve their goals.

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I.   INTRODUCTION

The Schools, Health and Libraries Broadband (SHLB) Coalition is very pleased to submit these comments in response to the Joint Request for Information (RFI) issued by the National Telecommunications and Information Administration (NTIA) and the Rural Utilities Service (RUS) concerning the implementation of the Broadband Initiatives Program (BIP) and the Broadband Technology Opportunities Program (BTOP).

The SHLB Coalition represents a broad cross-section of community anchor institutions that require very high-bandwidth connections to the Internet, as well as broadband providers that specialize in serving these institutions. Our membership includes organizations representing community colleges, colleges and universities, K-12 schools, libraries, hospitals and rural health clinics, fiber deployment companies and state and regional networks.[1] Many members of the SHLB Coalition filed applications themselves or provided guidance to applicants

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[1] A complete list of our members is available at www.shlbc.org.

and are thus have a substantial amount of experience with the BTOP and BIP application rules and procedures.

We appreciate the tremendous effort that was put into creating the rules in the first Notice of Funds Availability (NOFA). The staff of both agencies operated under exceedingly tight time deadlines and did an exceptional job of creating a new application process, much of it from scratch. The public workshops, the updated Frequently Asked Questions (FAQs), the powerpoint presentations made available on the web, the help desk, etc. were all tremendously useful to potential applicants. While we have several suggestions for changes and improvements to the rules and the application processes, we are very aware of the enormity of the task created by the legislative language and wish to acknowledge the fine work and great professionalism of the staff and Administrators of both agencies.

II. OVERVIEW

The SHLB Coalition is very pleased that the RFI discusses the role of anchor institutions in promoting the goal of creating "comprehensive communities." (see Section II.A.1. of the RFI). We are also excited about Assistant Secretary Strickling's comments at the Senate oversight hearing that applications to serve anchor institutions "are the type of projects where we should focus most of our money in round one, and probably in round two." These comments are consistent with the views of several Members of Congress[2] and some of the states[3] that have urged NTIA to fund applications bringing high-speed connectivity to anchor

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[2] See the letters from Reps. Markey, Matsui and Eshoo (dated September 17, 2009) and the letter from Senators Kerry, Gillibrand, Mark Udall, Dorgan, Landrieu, and Warner (dated October 26, 2009) that are attached to these comments.

[3] The letter from Don Winstead, Special Advisor to the Governor of Florida to Assistant Secretary Strickling, dated Oct. 14, 2009 ("We also have place a priority on identifying adequate service to anchor institutions. If the anchor institutions have adequate service, there is a greater likelihood that the residents in that area will as well. Conversely, if residents in an area have adequate service there is no guarantee that anchor institutions will have adequate service given their greater bandwidth requirements.") Available at http://www.stimulatingbroadband.com/2009/10/broadband-stimulus-and-states-21-state.html.

institutions. Other nations are also moving in the direction of building high-capacity links to anchor institutions.[4]

The SHLB Coalition agrees with the "comprehensive communities" approach proposed in the RFI. As the RFI suggests, funding high-capacity broadband to anchor institutions will provide the best "bang for the buck" and will have a transformative impact on local communities all across America. We believe, however, that some adjustments must be made to the funding program rules for this approach to be realized. While we offer a number of detailed suggestions in response to the specific questions in the RFI in the next section, we summarize our most significant suggestions below:

7. Priority should be given to projects that will build high-capacity "future-proof" infrastructure serving anchor institutions. The BTOP and BIP funds should be considered an opportunity to invest in America's future. Rather than building low-bandwidth facilities that will be overcome by demand in the next 3 to 5 years, it is more efficient to allocate these limited federal dollars in "fat" broadband "pipes" that will last for a minimum of two decades or longer, that will serve the needs of large numbers of vulnerable population segments, and that can be shared by multiple users and broadband providers.

8. Eliminate the Last Mile and Middle Mile categories. Anchor institution networks often need Last Mile AND Middle Mile connectivity, including what the FCC calls "Second Mile", and backbone connectivity. The Last Mile and Middle Mile categories are too confusing and limiting because they do not recognize the range of technology deployments. Rather, the application process should focus on the beneficiaries of the network deployment.

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[4] The Government of New Zealand has announced a plan to invest $1.5 Billion in national broadband infrastructure (primarily "dark fiber") to speed broadband deployment. The first six years of the program will focus on building fiber to schools, especially in rural areas. Communications Minister Stephen Joyce recently stated "Providing fibre to the vast majority of rural schools will effectively deliver the capacity to provide faster broadband to the communities they serve. Fibre backhaul is currently the primary limiting factor in the delivery of rural broadband and getting fibre to schools will address that." His press statement continued to say that, taken together with the government's $1.5 billion ultra-fast broadband investment initiative, the achievement of these rural targets will mean that 97% of New Zealand schools and 99.7% of New Zealand students will have access to broadband speeds of 100Mbps or greater. See, "New Zealand government announces targets for rural broadband," Sept. 10, 2009, available at http://www.geekzone.co.nz/content.asp?contentid=8425.

9. Create distinct questions on the application forms for networks that are designed for and dedicated to community anchor institutions. The application questions in the first NOFA were designed for applicants providing broadband service to all the residences and businesses in a particular geographical area, but anchor institution networks are usually designed to provide high-capacity links to specific locations in multiple geographic regions. Re-designing the application form and application questions for anchor institutions will help promote the achievement of "comprehensive communities."

10. Eliminate the requirement that anchor institution networks must be tied to serving unserved/underserved areas. These terms are intended to apply to residential service and should not be applied to anchor institutions, which need very high-speed bandwidth. The effect of this limitation in the first NOFA was that communities could not apply for funds to build next-generation capacity to schools, libraries and health care entities because they are located in neighborhoods were residents can purchase kilobit per second services.

11. Much greater funding should be allocated to the public computing center program than the minimum of $200 M identified in the statute. Public computing centers, such as libraries and community colleges, serve many of important purposes of the ARRA simultaneously, including assisting public safety, helping unemployed people look for jobs, promoting sustainable broadband adoption and otherwise serve the needs of vulnerable population groups that may not otherwise have access to broadband-based services. The PCC program was the most "oversubscribed" of the three BTOP programs (almost ten times as much funding was requested than the $200M) and deserves more funding.

12. The application process can be streamlined significantly by eliminating the rigid ties to census blocks, by delaying the submission of detailed financial information until stage two of the review process, and by making a number of other process-related changes. Streamlining the application process will encourage more high-quality applicants to apply for funding, thereby helping NTIA and RUS achieve their goals.

III. RESPONSES TO THE SPECIFIC QUESTIONS IN THE RFI.

The following discussion provides specific responses to the specific questions raised in the RFI and offers some additional input on issues that were not specifically raised in the RFI:

I.   The Application and Review Process.

Question I.A.   Streamlining the Applications.

We appreciate the government agencies were given an extremely short amount of time to design an application process involving a huge number of parties and a variety of different funding programs. We offer the following suggestions for improvement in the hope that these comments will help the second round application process go more smoothly.

- The web interface was particularly difficult to navigate. To give one example, some information had to be uploaded only in a specific format (ASCII text, pdf, Word, etc.), which was not always identified in advance. The word and character limits were often too limiting, and the character limits for the web interface were not always consistent with the limits for paper applicants.
- It may be easier to require less data in the initial application and instead ask for more detailed information in the stage two "due diligence" review process. This would save time for applicants that do not survive into the second round; and it will save government officials time in reviewing applications that are not worthy. For instance, submission of 5- year budget projections, the organization chart, the showing of financial need could all be delayed until the second round.
- Some information that was requested could be eliminated altogether. For instance, most of the specific "end user" demographic information requested in Questions 12 through 18 are unnecessary for proposals to build networks connecting anchor institutions and should be eliminated for such applications.
- We respectfully suggest that there is no reason to require NTIA and RUS to have a common application form and process. The rules of the two sets of programs differ substantially, and combining the applications simply added confusion for applicants.
- The applications for the Public Computer Center program, the Infrastructure program and the SBA program should be separate, but an applicant for one program should let NITA know that it has also applied for the other program.

Question I.A.2.   Consortiums and Public-Private Partnerships.

The SHLB Coalition supports the opportunity for all types of entities to build high-capacity broadband facilities to anchor institutions. While the RFI indicates a preference for public-private partnerships, municipalities, state networks or consortiums of non-profit entities

have often specialized in building high-capacity networks. These not-for-profit networks were established to provide cost-effective services to institutions where the private sector could not. They have well established business models, and when the capital is available, are willing to extend their networks into areas deemed unprofitable by the private sector. At other times purely commercial companies are the most efficient provider. These can include ILECs, CLECs, wireless, private fiber builders, or others. The rules should allow all types of entities – private sector companies, public-private partnerships and consortiums, and public entities – to submit applications for funding. The application process should request financial information in whatever form is appropriate for that particular entity.

Question I.A.3.   Specification of Service Areas.

The "service area" terms and implementation was an area of enormous confusion for applicants. The application form used the terms "service area", "non-funded service area" and "proposed funded service area" without specifying how these terms are meant to be used. (For instance, the NOFA's definitions say that the proposed funded service area "may" be within the service area.[5]) The terms appear to be designed for telephone and cable companies that provide service to the residential and business consumers in a particular geographic area, but these terms do not fit with proposals to build a single (hub-and-spoke or fiber ring) network to a variety of different buildings (and only those buildings) located in a variety of geographic regions. For anchor institutions, it is extremely difficult, if not impossible, to identify the service area (or proposed funded service area).   For instance, if an applicant proposed to build a fiber network connecting the schools, hospitals and libraries back to a central hub in the center of town, is the service area the geographic boundary of the entire town? The census block in which the school, hospital or library is situated? If people in outlying communities are expected to drive to the library, school, or hospital and will benefit from the broadband connection,

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[5] For instance, does the "service area" refer to all the people who will benefit from the deployment of broadband, whereas the "proposed funded service area" refers to only that particular route crossed by the broadband facility?

should their census block or community be defined as within the "service area," the "proposed funded service area," the "non-funded service area," or none of the above?

In general, the use of census blocks to define the proposed funded service areas was too rigid for anchor institutions. We respectfully suggest that the applicant be permitted to define the beneficiaries of the proposed broadband investment, and allow the applicant to suggest how to draw realistic boundaries around them.

Question I.A.4.   Relationship between BIP and BTOP.

There is no reason to require an applicant in rural areas to apply through RUS if the applicant prefers not to do so. This is especially true for those applicants seeking a grant because RUS is making so few grants available.

Question B.   Transparency and Confidentiality

The SHLB Coalition believes that applicants for grants funded by the general public have a greater obligation than usual to make information about their grant proposals available to the public. We agree with the tentative conclusion that the Executive Summary of each application should be made publicly available, and we recommend going even further. We suggest that the entire application should be made publicly available, except for the detailed budget projections and any proprietary network technologies that may be unique to the particular applicant. Given the amount of interest the FCC has shown in gathering information about the costs of deploying broadband, revealing applicants' proposed cost data of their projects would be enormously helpful to the FCC as it fashions its national broadband plan, and would provide a wealth of data for research and for other government officials.

One additional suggestion to improve transparency is to require those who engage in private meetings with NTIA and RUS officials to post a summary of their presentations and discussions on-line (similar to the FCC's ex parte process), so that other interested parties may understand what is under consideration and have an opportunity to respond.

Question C.   Outreach and Support

All of the information provided by NTIA and RUS to applicants was extremely helpful. We applaud the government officials for making time available to educate potential applicants about the programs. The SHLB Coalition respectfully suggests that the government consider holding webinars on each of the funding programs. The webinars could be recorded and posted online, so that potential applicants could obtain essential information right away, without having to wait for a workshop to come to the particular region of the country. If the webinars are developed with enough detailed information, and include questions and answers, the government may be able to reduce the number of in-person workshops and the associated travel costs.

Question D.   NTIA Expert Review Process.

The SHLB Coalition does not have a strong view about the best manner of reviewing proposals. We have heard several parties question whether the volunteer reviewers will have sufficient qualifications, especially since the ethics obligations (reviewers must agree never to work on any application) are so stringent that many qualified people will be excluded. We have also heard questions about whether the hundreds of volunteer reviewers, who undoubtedly have very different backgrounds, will be able evaluate the applications in a consistent manner and will be able to do so quickly. Use of paid reviewers working for a consulting firm or the government may provide a more uniform approach to the application review process and may expedite the review process.

II.   **Policy Issues Addressed in the NOFA.**

Question A.   Funding Priorities and Objectives.

The SHLB Coalition believes that the remaining funding for round two should be targeted at community anchor institutions, especially schools (including K-12 schools, community colleges, and colleges and universities), libraries (including public libraries, school

libraries and research libraries) and health care entities (including hospitals and health clinics). We believe that building high-capacity broadband networks to connect these institutions will serve more of the purposes of the ARRA than any other types of proposals. In particular, building such broadband facilities will satisfy:

1. Section 6001(b)(3)(A), which calls for broadband education, awareness, training, access, equipment, and support to— schools, libraries, medical and healthcare providers, community colleges and other institutions of higher education, and other community support organizations and entities to facilitate greater use of broadband service by or through these organizations;
2. Section 6001(b)(3)(B), which identifies organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband service by low-income, unemployed, aged, and otherwise vulnerable populations;
3. Section 6001(b)(5), which calls for projects to stimulate the demand for broadband, economic growth, and job creation.
4. Section 6001 (g)(3), which requires applicants to ensure access to broadband service by community anchor institutions;
5. Section 6001(g)(4), which calls for projects that facilitate access to broadband service by low-income, unemployed, aged and otherwise vulnerable populations;
6. Section (h)(2)(A), which calls for increasing the affordability of, and subscribership to, a service to the greatest population of users in the area;
7. Section (h)(2)(B), which calls for projects that provide the greatest broadband speed possible to the greatest population of users in the area;
8. Section (h)(2)(C), which calls for projects that enhance service for health care delivery, education, or children to the greatest population of users in the area.

Perhaps most important, building high-capacity networks serving anchor institutions promotes jobs. In general, the types of networks being sought by anchor institutions do NOT involve simply adding electronics onto existing broadband connections (such as adding a DSLAM into a central office switch). Anchor institutions generally need new broadband facilities to be deployed – such as additional fiber optic cables and new wireless antennas – to get the type of high-speed bandwidth that they need. This construction creates jobs for suppliers of the technology, engineers, project managers and local construction firms.

Furthermore, projects to build high-capacity broadband facilities to anchor institutions

have a high probability of success in meeting the milestones set forth in the legislation. NTIA can have greater confidence in the integrity of grants to these institutions because of the critical role they play in the community. In other words, there is less likelihood of fraud or abuse resulting from an anchor institution's receipt of grant funds. Community anchor institutions have the benefit of oversight by local and state governments and they are accountable to their communities (in addition to NTIA). There is a high likelihood that anchor institution projects will be:

- capable of carrying out the project or function to which the application relates in a competent manner in compliance with all applicable Federal, State, and local laws (6001(e)(4));
- provide such assurances and procedures as the Assistant Secretary may require to ensure that grant funds are used and accounted for in an appropriate manner; (6001(e)(7)); and
- be able to complete the build-out within the time frames set forth in the legislation. (6001(d)(3)).

The RFI asks parties to submit quantitative data to demonstrate the benefits of building to anchor institutions. There are many such studies. A few of these are listed below:

- The Information Technology and Innovation Foundation (ITIF) has found that communities that have broadband generate 1% more jobs than communities without broadband, and that every $5 billion in spending creates 250,000 jobs.[6]
- In 2005, Robert Litan estimated that using broadband more extensively in caring for senior citizens and persons with disabilities could result in cost savings and productivity gains of at least $927 billion through 2030. He found three types of cost savings: directly lower health costs, postponing or eliminating institutionalized care, and enabling increased workforce participation by elderly people.[7]
- The American Library Association's most recent report called Libraries Connect Communities 3 found that "education resources and databases for K-12 students top

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[6] See http://speedmatters.bluestatedigital.com/benefits/archive/economic_growth_quality_jobs/.

[7] Robert Litan, "Great Expectations: Potential Economic Benefits To The Nation From Accelerated Broadband Deployment To Older Americans And Americans With Disabilities," New Millennium Research Council (December 2005), http://tinyurl.com/cujwg.

the list as the Internet service most critical to the role of the public library, followed by services to support job-seekers". It also found eighty-one percent of public libraries say that they do not have sufficient computer capacity to meet the needs of their patrons, and that nearly sixty percent of libraries now report that their bandwidth is insufficient some or all of the time (up from 57.5% last year).[8]

- The Institute for Museum and Library Sciences (IMLS) found that libraries and museums are trusted far more than other sources of information, including government, commercial and private individual websites.[9]

- The State Educational Technology Directors Association (SETDA) recommends that in the next 5-7 years, K-12 schools should have an external Internet connection to an ISP of at least 100 Mbps per 1,000 students/staff, and an internal wide area network connection from the district to each school of at least 1 Gbps per 1,000 students/staff.[10]

- A 2006 study by the Greaves Group found that 88% of schools that implemented "ubiquitous computing" in the school had improved academic results. It also found that "a bandwidth crisis is looming" because the schools typically had about 2.9 kbps of bandwidth and would need as much as 40 kbps [per student] in five years.[11]

Section 1.   Middle Mile "Comprehensive Community" Projects.

The SHLB Coalition agrees with the "comprehensive communities" approach proposed in the RFI. As the RFI suggests, funding high-capacity broadband to anchor institutions will provide the best "bang for the buck" and will have a transformative impact on local

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[8] See, Davis, et al. (2009). *Libraries Connect Communities 3: Public Library Funding & Technology Access Study*. Chicago: American Library Association. ("Libraries Connect Communities 3"). Available: http://ala.org/ala/research/initiatives/plftas/2008_2009/index.cfm.

[9] Griffiths, et al., "*Interconnections: The IMLS National Study on the Use of Libraries, Museums and the Internet,* February 2008, available at http://interconnectionsreport.org/reports/ConclusionsFullRptB.pdf.

[10] See, "High-Speed Broadband Access for All Kids: Breaking Through the Barriers," available at http://www.setda.org/web/guest/2020/broadband.

[11] See, America's Digital Schools 2006, available at http://www.ads2006.net/ads2006/pdf/ADS2006KF.pdf.

communities all across America. We believe, however, that the following adjustments must be made to the funding program rules for this approach to be realized:

1.   **Priority should be given to projects that will build high-capacity "future-proof" infrastructure serving anchor institutions.** The BTOP and BIP funds should be considered an opportunity to invest in America's future. Rather than building low-bandwidth facilities that will be overcome by demand in the next 3 to 5 years, it is more efficient to allocate these limited federal dollars in "fat" broadband "pipes" that will last for a minimum of two decades or longer, that will serve the needs of large numbers of vulnerable population segments, and that can be shared by multiple users and broadband providers.

Funding connections to anchor institutions would, of course, immediately improve the broadband capabilities for institutions providing critical medical care and educational services to vulnerable populations. Further, these high-capacity broadband connections can facilitate the future build-out to residences and businesses by providing a high-speed hub deep into neighborhoods and communities. There is a severe shortage of high-capacity broadband facilities across the United States, and building such high-capacity links deeper into communities will create new jobs, will help to stimulate greater investment by other broadband providers, and will generate increased economic activity throughout the country.

2.   **We respectfully suggest that NTIA (and perhaps RUS as well) consider doing away with the separate Last Mile and Middle Mile Infrastructure categories and focus instead on the users of the proposed broadband investment.** Although Last Mile and Middle Mile are common terms of art, the terms are defined differently by different parties and often create confusion in practice.[12] (We note that the NOFA itself contains some confusion, as it defined a Last Mile project as one that serves end users, including anchor institutions, but then required applicants serving anchor institutions to apply in the Middle Mile category.) Furthermore, it is

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[12] See the Comments of the National Telephone Cooperative Association (NTCA) in response to the NBP Notice #11, Submitted to the FCC on Nov. 20, 2009 in Docket Nos. 09-47, 09-51, 09-137. NTCA states that the telephone industry considers the Middle Mile to describe the links from the Internet aggregation point to the Internet gateway, which is quite different from the definition in the first NOFA.

not easy to segregate infrastructure investments into one category or the other, especially with regard to high-capacity broadband needs of anchor institutions.[13] These categories also do not neatly lend themselves to applications to fund backbone facilities, even though there are severe backbone shortages in many areas today and there will be even greater shortages in the near future given users' ever increasing need for more bandwidth. Adopting these categories may be too rigid because the real world experience is much more diverse than these categories permit.[14] The broadband experience depends on having adequate network facilities at each point along the chain – broadband facilities are all interdependent, and a shortage of any one link in the chain can reduce the effective bandwidth available to the customer. Thus, it may be more appropriate for NTIA and RUS to focus on the services that will be provided, the users of the service, and the benefits of that deployment to the community than the particular network "category". The BTOP program should be able to fund high-capacity facilities that benefit anchor institutions at any point in this chain, regardless of whether the particular facilities are considered to be Last Mile, Second Mile, Middle Mile or backbone.

3.   **The next NOFA and application process should include specific questions and analysis that are designed to elicit the most relevant information about the broadband networks proposed for anchor institutions.** The needs of anchor institutions are quite different from the broadband needs of residential consumers. For instance, it should not be relevant to ask an anchor institution applicant about the census blocks through which its broadband facilities pass

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[13] We also note that the FCC is using the concept of the "Second Mile," which the FCC described as lying in between the Last Mile and Middle Mile links. The "second mile" may describe the network position of the anchor institution more accurately than either Last Mile or Middle Mile. See FCC slide 37 in its presentation on the National Broadband Plan on Sept. 29, 2009, available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-293742A1.pdf.

[14] See, for instance, the comment of Global Crossing, in response to the FCC's Public Notice requesting comment on the costs of Second Mile and Middle Mile connections, Nov. 4, 2009, available at http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=7020244650. ("[T]he [FCC's] Public Notice rests on a fundamentally flawed premise: that there is a meaningful distinction between 'last mile,' 'second mile,' and 'middle mile' transport capacity. As the Commission itself notes, terms like 'backhaul,' 'transport,' 'special access,' and 'middle mile' are used interchangeably by those in the industry. The reason for this is simple: these concepts *are* interchangeable. Fundamentally, transport capacity—including 'last mile,' 'second mile,' and 'middle mile' transport capacity—is fungible. . . ")

or the characteristics of residential subscribers. It is more relevant to ask an anchor institution, or a commercial provider proposing a network to serve anchor institutions, of the vulnerable population groups that will benefit from the project, and the internet-based services that will be enabled by the project (such as telemedicine, distance learning, worker training, etc.) While the SHLB Coalition does not necessarily ask the government to create a separate "category" for anchor institutions, we do believe that certain sections of the application should be explicitly designed for applications serving anchor institutions. This will help to promote the "comprehensive communities" suggested in the RFI.

4.   **It is too onerous to require anchor institutions, or applicants proposing to build to anchor institutions, to identify a Last Mile provider that will provide residential service as a necessary precondition of obtaining funding.** It should be enough for the anchor institution or network builder to demonstrate that its network will be "open and available" for interconnection by other broadband providers (not just Last Mile providers). The SHLB Coalition strongly supports the "vision" of using anchor institutions as a "hub" from which to serve the surrounding residential community. In fact, we are optimistic that, in the near future, high-capacity links to anchor institutions can be designed as "jumping off" points to serve the surrounding community.

However, achieving this result cannot be accomplished in a few months' time. There may be engineering changes[15] and perhaps changes in local, state and federal laws needed to reach this result.   Moreover, it is often beyond the traditional capability of a school, hospital or library to identify Last Mile providers to extend broadband service to residences. The SHLB Coalition

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[15] See comments of the FiberUtilitiesGroup in Docket No. 09-137, October 28, 2009, p. 6, available at http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=7020243620. ("Efficient network design requires some idea of the ultimate use of that network. A network design optimized for anchor institutions most likely would not be the optimum design for a full, fiber-to-the-home project, whether or not the target area was unserved or underserved. The number of fibers deployed, the topology of the network, the type and mix of users, and the population density of the area to be served and the availability of interconnection with other networks at common access points all drive network design.")

stands ready to work with NTIA and RUS to overcome these barriers and seek opportunities to make the vision a reality.

5.   **We respectfully suggest that projects to build high-capacity links to anchor institutions should not be tied to the "unserved/underserved" definitions.** If a hospital needs a fiber connection for life-saving telemedicine services, it should not be denied such funding because the surrounding community has DSL service. Requiring anchor institutions to be located in unserved/underserved areas adds a requirement that does not appear in the statute and artificially restricts the number of community anchor institutions that could receive broadband funding.

The statutory language does not apply the terms "unserved" (b)(1) or "underserved" (b)(2) to the anchor institutions in paragraph (b)(3). These terms are used to describe service to "residences" in (b)(1) and (b)(2), but are not used in (b)(3), (b)(4) or (b)(5). In other words, the statutory language allows anchor institutions in any geographic location of the country to receive funding for broadband connections, notwithstanding whether the surrounding residential customers have broadband service or not. This interpretation is confirmed by the language in subsection (g)(3), which states that the "Assistant Secretary "may make competitive grants under the [BTOP] . . . to ensure access to broadband service by community anchor institutions."

We understand that some have ventured an interpretation of subsection (b) that regards all five of the purposes to be taken together, believe that the five purposes of the BTOP are intended to be taken together. But this interpretation is illogical, especially when the other purposes are considered. For instance, subsection (b)(4) identifies public safety as another one of the five key priorities. It would not make sense to deny public safety entities funding for broadband based on the level of broadband possessed by residences. Furthermore, subsection (b)(5) states that another purpose is to stimulate broadband demand; but it is only possible to stimulate adoption if broadband is already available (i.e. the area is "served"), so it is simply not possible to require an applicant to abide by every single purpose identified in Section 6001(b).

Nonetheless, some may suggest that, as a policy matter, an anchor institution located in an unserved/underserved area should be preferred over an anchor institution located in a "served" area. While this is a fair point, we respectfully suggest the level of residential broadband service should only be one factor out of many in evaluating the merits of an application. In addition, the grant reviewers should consider the anchor institution's need for the broadband capability, the cost of deploying the broadband connection, the institution's ability to sustain the connection after receiving funding, the services and uses of that broadband connection. In other words, it is one thing to evaluate the level of residential broadband as one factor in evaluating an application to provide broadband to an anchor institution; it is another thing to require service to unserved/underserved residences as a necessary precondition (an absolute requirement). Unfortunately, the first NOFA took the latter approach and we request the second NOFA to take the latter former.

6. **Much greater funding should be allocated to the public computing center program than the minimum of $200 M identified in the statute.** Public computing centers, such as libraries and community colleges, serve many of important purposes of the ARRA simultaneously, including assisting public safety, helping unemployed people look for jobs, promoting sustainable broadband adoption and otherwise serve the needs of vulnerable population groups that may not otherwise have access to broadband-based services. The PCC program was the most "oversubscribed" of the three BTOP programs (almost ten times as much funding was requested than the $200M) and deserves more funding.

Sincerely,

John Windhausen, Jr.
Coordinator
Schools, Health and Libraries Broadband Coalition